



Substitute Senate Bill No. 581

Public Act No. 07-234

AN ACT CONCERNING THE ALLOCATION OF PRIVATE ACTIVITY BONDS FOR RESIDENTIAL HOUSING AND REQUIRING THE CONNECTICUT HOUSING FINANCE PROGRAM TO STUDY PRODUCTION AND PRESERVATION OF MULTIFAMILY HOUSING.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. Section 32-141 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective July 1, 2007*):

(a) (1) The total amount of private activity bonds which may be issued by state issuers in the calendar year commencing January 1, 2001, under the state ceiling in effect for such year, shall be allocated as follows: (A) Sixty per cent to the Connecticut Housing Finance Authority; (B) fifteen per cent to the Connecticut Development Authority; and (C) twenty-five per cent to municipalities and political subdivisions, departments, agencies, authorities and other bodies of municipalities, the Connecticut Higher Education Supplemental Loan Authority and for contingencies.

(2) The total amount of private activity bonds which may be issued by state issuers in the calendar year commencing January 1, 2002, and each calendar year thereafter, under the state ceiling in effect for each such year, shall be allocated as follows: (A) Sixty per cent to the Connecticut Housing Finance Authority; (B) twelve and one-half per

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cent to the Connecticut Development Authority; and (C) twenty-seven and one-half per cent to municipalities and political subdivisions, departments, agencies, authorities and other bodies of municipalities, the Connecticut Higher Education Supplemental Loan Authority and for contingencies. At least ten per cent of bonds allocated under subparagraph (A) of this subdivision shall be used for multifamily residential housing in the calendar year commencing January 1, 2008. In each calendar year commencing January 1, 2009, fifteen per cent of such bonds shall be used for multifamily residential housing.

(3) The board of directors of the Connecticut Housing Finance Authority shall undertake a review and analysis of the multifamily housing goals and programs of the authority to determine the extent to which the authority can increase the production of multifamily housing and promote its preservation, including production of multifamily housing that serves households with incomes less than fifty per cent of the area median income and households with incomes less than twenty-five per cent of the area median income. Such review and analysis shall include, but not be limited to, the use of private activity bonds in conjunction with four per cent federal tax credits. The board of directors of the authority shall report its findings and recommendations to the joint standing committee of the General Assembly having cognizance of matters relating to planning and development and to the select committee on housing not later than January 1, 2008.

(b) No municipality or political subdivision, department, agency, authority or other body of a municipality shall issue any private activity bonds, and no state issuer shall issue private activity bonds which are allocated under subsection (a) of this section for contingencies unless (1) the project or program to be financed is consistent with the state plan of conservation and development, the consolidated plan for housing and community development and the

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action plan for housing and community development, and (2) the Secretary of the Office of Policy and Management approves the issuance. The secretary shall adopt regulations in accordance with chapter 54, establishing procedures and standards for the submission and review of applications for such approvals.

(c) The secretary shall monitor the needs of all state issuers for private activity bonds and shall be responsible for ensuring that no private activity bonds are issued which exceed any allocation under subsection (a) of this section, except as provided under section 32-142.

Approved July 11, 2007